

1. Steps for LIP Unit Resale

- (1) Property Owner Notifies Local Community and DHCD - The property owner shall submit written notice of their intention to sell and a copy of their Deed Rider to the Monitoring Agent, which will be DHCD and any other entity identified in the Deed Rider as a Monitoring Agent. The property owner's written notice should include their name, the property address, a phone number where they can be reached during the day, and the name and phone number of the person responsible for showing and answering questions about the home.
- (2) Maximum Resale Price - After receiving notification, the Monitoring Agent will calculate the Maximum Resale Price which the owner may receive on the sale of the property and will provide written notice to the owner of the Maximum Resale Price. The Monitoring Agent has 90 days in which to sell the home to an eligible buyer. The Monitoring Agent may extend the 90-day period if the owner fails to cooperate in the resale efforts.

PLEASE NOTE: Most older LIP deed riders use a discount rate formula to set the maximum resale price. This method multiplies the home's current appraised value by the discount rate specified in the LIP deed rider. Many of these LIP Deed Riders set an alternative maximum resale price at what a low- or moderate-income household can afford. The current model Deed Rider uses a maximum resale price multiplier, which ties increases in resale prices to the increases in median income.

- (3) Marketing the Unit - During the 90-day marketing period the Monitoring Agent should offer the unit to the potential buyers on its list, in order. DHCD will post information about the unit on its web page.
- (4) New Buyer Eligibility - The new buyer shall be income and asset eligible under the LIP program and subject to the resale provisions of the recorded deed rider and the buyer's mortgage loan must meet the requirements of E.1 of these LIP Guidelines. Documentation verifying the buyer's income, assets, and mortgage terms should be mailed or faxed to DHCD.
- (5) DHCD Closing Documents – After the new buyer has been qualified by the Monitoring Agent(s), the buyer's closing attorney then contacts DHCD's paralegal to obtain closing documents.

2. Eligible Buyer is Not Located

If an eligible buyer is not located during the 90-day marketing period the Monitoring Agent or municipality may purchase the property. After an additional 30 days if neither the Monitoring Agent nor the municipality purchases the property, the home may be sold without regard to the income level of the buyer. If a LIP unit is conveyed to an ineligible buyer, the price **may not exceed** the Maximum Resale Price, a LIP Deed Rider must be executed and recorded, and if more than one ineligible purchaser is found, first preference must be given to households earning between 80% and 120% of the area median income adjusted for household size.